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United States General Accounting Office

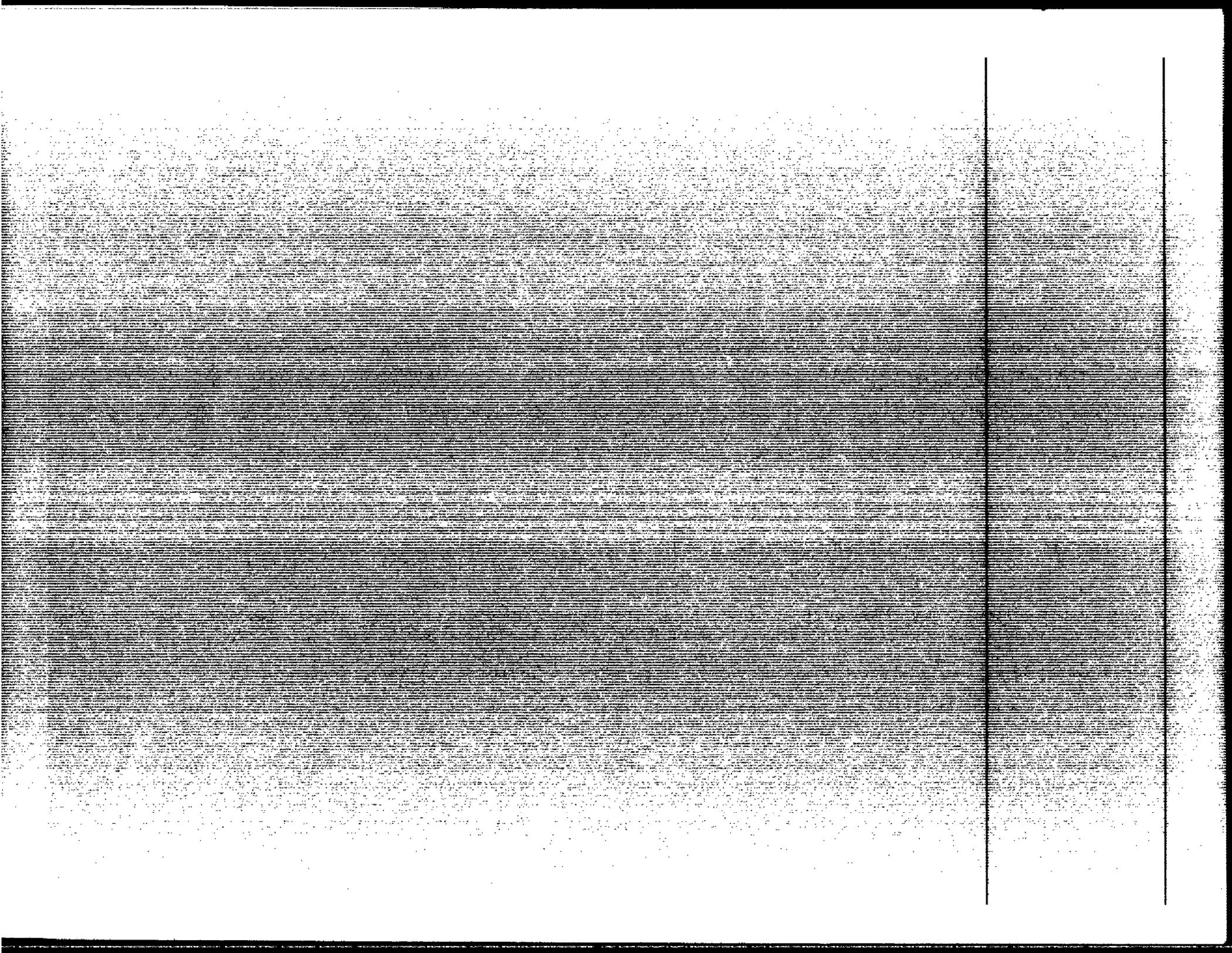
Briefing Report to the Honorable
Harris Wofford, U.S. Senate

February 1992

**STUDENT FINANCIAL
AID**

**Characteristics of Jobs
Provided Through the
College Work-Study
Program**





Human Resources Division

B-247670

February 21, 1992

The Honorable Harris Wofford
United State Senate

Dear Senator Wofford:

This report responds to your request for information concerning jobs funded through the College Work-Study (CWS) program. The program provides part-time employment to students needing financial assistance to help defray the costs of attending a postsecondary educational institution. The Higher Education Act of 1965, as amended, requires that CWS employment complement and reinforce each student's educational or vocational goals to the maximum extent feasible.

The CWS program also contains an optional component called the Community Service Learning (CSL) program. This component is directed to providing jobs that serve the needs of low-income individuals.

You asked that we determine the extent to which the CWS program (1) supports on-campus versus off-campus employment, (2) provides jobs that are relevant to students' educational or vocational goals, and (3) provides community service jobs that meet the needs of low-income people.

On February 19, 1992, we discussed the results of our analysis with your office. (See app. I.) This report summarizes the information provided at that meeting.

Results in Brief

Almost 95 percent of the students' CWS earnings for the 12-month period ending June 30, 1990, were from on-campus jobs. Officials from the institutions with the largest CWS allocations estimated that these jobs, such as telephone answering and filing, were often not directly related to the students' fields of study. While only 5 percent of the CWS earnings nationwide resulted from off-campus employment, officials indicated off-campus jobs, such as tutoring elementary school students, were more often directly related to the students' fields of study.

Nationally, only 0.2 percent of CWS earnings went to students working in CSL jobs. Although many institutions did not have a CSL program, some of their CWS jobs provide service to low-income individuals.

Background

Postsecondary institutions receive allocations of federal CWS funds to cover a portion of each CWS student's wages or salary and some administrative costs. The employer (the institution itself, a governmental agency, private nonprofit agency, or a private for-profit firm) pays the remaining portion of the student's earnings.

The Department of Education provided almost \$605 million of federal CWS allocations to about 3,800 postsecondary institutions in award year 1989-90 (July 1, 1989, through June 30, 1990). These funds went to almost 690,000 students, who earned a total of about \$679 million. On average these students earned approximately \$980.

The portion of a student's earnings that can be paid from federal CWS funds varies depending on the type of employer and the kind of job. For most jobs, federal funds can provide up to 70 percent of earnings. Different percentage limits or ceilings apply to students with CWS jobs under the CSL program; for off-campus jobs with for-profit organizations; and for institutions, such as historically black colleges.

The Community Service Learning program provides community service jobs that serve the needs of low-income people in such ways as tutoring illiterate adults, staffing shelters for the homeless, and assisting day care centers serving poor families. Each institution may use up to 10 percent of federal CWS allocations to pay up to 90 percent of students' earnings in CSL jobs, regardless of whether the job is on-campus or off-campus. Wages paid under the CSL program in excess of 10 percent of the CWS allocation must be paid at the 70-percent level.

The federal limit is also different for off-campus jobs offered by private for-profit firms. For such jobs, each institution can use up to 25 percent of federal CWS allocations to pay a maximum federal share of 50 percent of students' earnings.

An exception to these limits is available to institutions designated as an eligible institution under title III of the Higher Education Act, such as historically black colleges, that request such an exception. These institutions can pay up to 100 percent of students' earnings with federal CWS funds for jobs other than those with for-profit firms.

Scope and Methodology

We obtained and analyzed information that the Department of Education receives annually from institutions participating in the CWS program. This information provided nationwide summary data for on-campus versus off-campus employment and indicated the extent of CWS jobs in a CSL program for award year 1989-90, which was the latest year that information was available.

We also contacted administrators familiar with the CWS program at the 20 postsecondary institutions with the largest CWS allocations in the 1991-92 award year. We asked them (1) to estimate the extent that CWS jobs complement students' fields of study and (2) about their use of the CSL component. These 20 institutions accounted for about 11 percent of all federal CWS allocations, and 22 percent of off-campus students' CWS earnings in award year 1989-90. The data we obtained from these institutions' administrators were estimates, and we did not verify them.

Only one of the institutions we contacted normally calculates the total number or percentage of students that are in CWS jobs directly related to their fields of study. This information is not regularly reported to the Department. Sixteen of the other institutions provided us with estimates for on-campus and/or off-campus jobs. We also asked these officials to estimate the portion of their on-campus CWS jobs that were clerical or low-skilled. Nineteen of them provided us with an estimate.

We asked the 20 administrators if they had a CSL component. We also asked them to estimate the extent, if any, that their CWS jobs provided service to low-income individuals, even if they had no CSL component.

We performed our work between September 1991 and February 1992 in accordance with generally accepted government auditing standards.

Nearly All Students' Pay Was for On-Campus Jobs

Almost 95 percent of students' CWS earnings nationwide were from on-campus jobs. Students earned \$642 million from on-campus jobs and about \$37 million from off-campus jobs for the 1989-90 award year. The off-campus earnings were almost entirely from jobs in the nonprofit and governmental sectors. Only about 0.1 percent (\$801,000) of the CWS earnings came from off-campus jobs with for-profit firms.

Many On-Campus Jobs Are Unrelated to Students' Fields of Study

Fourteen of the 20 institutions we surveyed estimated that 50 percent or more of on-campus jobs were clerical or low-skilled in nature.¹ Two of these administrators estimated, respectively, that about 85 percent and 95 percent, were clerical or low-skilled. Examples of such jobs include word processing, filing, telephone answering, and kitchen help.

On-campus jobs were often not directly related to students' fields of study. The median estimate for the 17 institutions providing an estimate for jobs that were directly related was 40 percent (ranging from 10 to at least 75 percent).

However, off-campus jobs, such as tutoring elementary school students and working as a legal aide, were more often directly related to students' fields of study. The median estimate for the 13 institutions providing an estimate was 75 percent (ranging from 5 to 100 percent).

Few Earnings Received From CSL Jobs

Only about 0.2 percent (\$1.3 million) of CWS 1989-90 earnings nationwide went to students with CSL jobs. In addition, only 4 of the 20 institutions surveyed had a CSL program during the 1989-90 award year. These institutions devoted between 1.1 percent and 3.6 percent of their available federal CWS funds to CSL earnings. A fifth institution established a CSL program in 1991, but none of the other 15 institutions were planning a CSL program.

The most frequent reason the 15 institutions gave for not establishing a CSL program was that providing 90 percent of earnings from their federal allocation in CSL jobs diminishes the amount of CWS aid that could be provided to other students. For example, if an institution uses its federal CWS allocation to provide 90 percent of students' earnings, the institution would support fewer CWS jobs than it could through CWS jobs that may be federally funded at the 70-percent level (assuming that the average amount of CWS earnings per CWS student is constant).

Although few institutions had a CSL program, 16 administrators, including those with a CSL program, estimated that some of their CWS jobs provide service to low-income individuals. Examples of such service included tutoring low-income children, assisting in the provision of free legal services to low-income clients, and helping design a low-income community center facility. The median estimate for the 16 institutions providing an estimate that some of their jobs primarily served low-income

¹One institution's administrator did not provide us with an estimate.

individuals was 10 percent (ranging from 1 to 29 percent). Two institutions said that none of their CWS jobs aided low-income individuals.

As agreed with your office, we did not obtain written comments on this briefing report from the Department of Education or other interested parties. We are sending copies of this briefing report to congressional committees, the Secretary of Education, and other interested parties. Should you wish to discuss its contents further, please call me at (202) 512-7014. Major contributors are listed in appendix III.

Sincerely yours,



Linda G. Morra
Director, Education and
Employment Issues

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Low-Income**

20

Abbreviations

CSL Community Service Learning
CWS College Work-Study
GAO General Accounting Office

Characteristics of Jobs Provided Through the College Work-Study Program

Figure I.1:

GAO Student Financial Aid

**Characteristics of Jobs
Provided Through the
CWS Program**

Figure I.2:

GAO Background

- CWS provides part-time jobs for postsecondary students needing financial aid
- Law requires that CWS jobs complement students' goals to the maximum extent feasible
- About 3,800 institutions participated with \$605 million federal funding for 690,000 students in 1989-90

Figure I.3:

GAO **Some Employers Limited to
Specified Kinds of CWS Jobs**

Employer

Job must

Nonprofit or
government agency

be in the public
interest

Proprietary school

serve students on
campus

Community Service
Learning (CSL)
program

serve the needs of
low-income people

Figure I.4:

GAO Maximum Federal Share of Pay
for CWS Jobs (1990-91)

Employer	Maximum federal share (percent)
School, government, or nonprofit agency	70
For-profit firm	50
CSL program	90
Historically black college	100

Figure I.5:

GAO Objectives

To determine the extent to which the CWS program

- Supports on-campus vs. off-campus employment
- Provides jobs relevant to students' educational or vocational goals
- Provides jobs serving the needs of low-income people

Figure I.6:

GAO Scope

- Gathered CWS program data from Department of Education
- Surveyed administrators from 20 institutions with largest CWS programs. These programs had
 - 11 percent of all CWS funds
 - 22 percent of all off-campus CWS earnings

Figure I.7:

GAO Methodology

- Reviewed Department data to determine earnings from on-campus vs. off-campus jobs
- Asked the 20 institutions
 - What percent of the jobs were directly related to students' fields of study
 - Whether CWS jobs were clerical or low-skilled
 - If they had a CSL program
 - What percent of CWS jobs mainly served low-income

Figure 1.8:

GAO Results in Brief

- About 95 percent of CWS earnings were from on-campus jobs
- On-campus jobs were often not directly related to students' fields of study
- Few institutions had a CSL program and CSL earnings were only 0.2 percent of all earnings

Figure I.9:

GAO Almost All CWS Pay Was for On-Campus Jobs

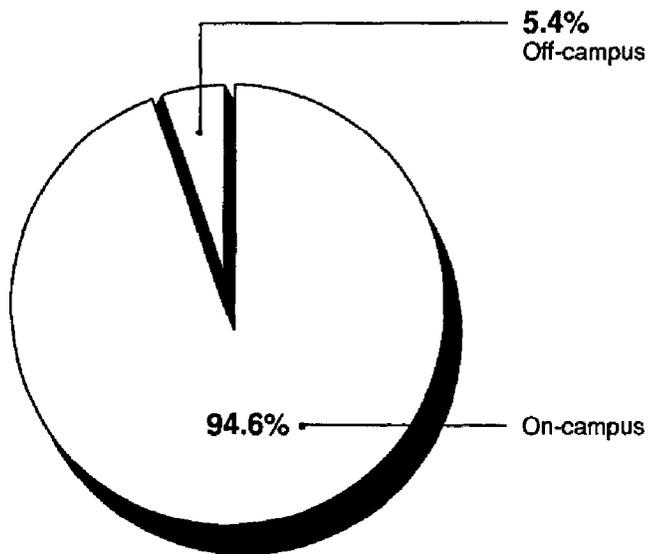


Figure I.10:

GAO Estimated CWS Jobs Directly Related to Students' Studies

10 Number of schools

8

6

4

2

0

81 to 100

61 to 80

41 to 60

21 to 40

0 to 20

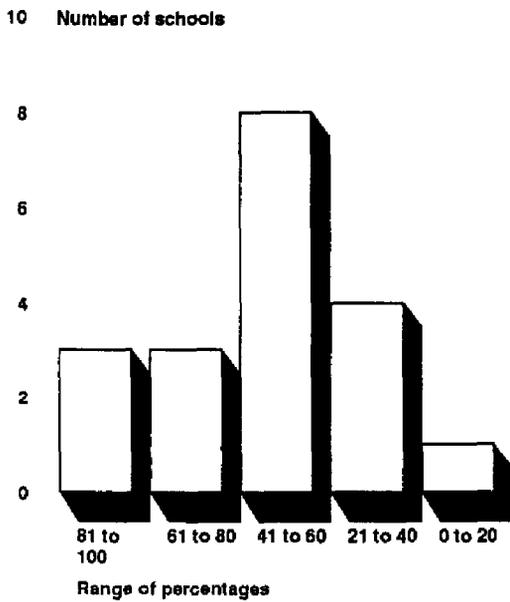
Range of percentages

Off-campus
On-campus

Note: See appendix II for data supporting this figure.

Figure I.11:

GAO Estimated Clerical or Low-Skilled On-Campus Jobs



Note: See appendix II for data supporting this figure.

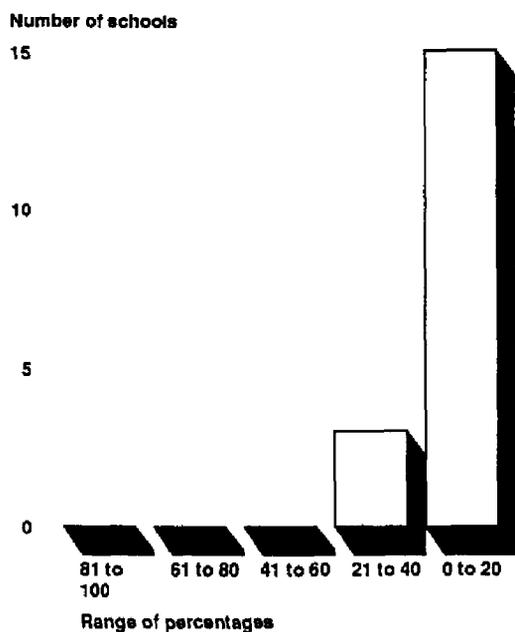
Figure I.12:

GAO Aggregate Earnings in CSL
and CWS Jobs

Award year	CSL Jobs (earnings in millions)	CWS Jobs
1986-87	\$0.3	\$641
1987-88	1.0	647
1988-89	0.8	637
1989-90	1.3	679

Figure I.13:

GAO Estimated Part of CWS Jobs Mainly Serving Low-Income



Note: See appendix II for data supporting this figure.

Data Supporting Figures I.10, I.11, and I.13 in Appendix I

**Table II.1: Estimates From 20
Institutions Contacted**

Institution	Estimated percent of CWS jobs				
	Directly related to students' fields of study		On-campus that were clerical or low-skilled	Primarily providing service to low-income people	
	Off-campus	On-campus			
A	100	40	50	10	
B	95	50	40	18 ^a	
C	90	50	85	^c	
D	88	60	50	29	
E	85 ^a	12 ^a	50	8 ^a	
F	82 ^a	40	50	8 ^a	
G	75 ^a	50	35	28 ^a	
H	65 ^a	30	75	18 ^a	
I	60	60	20 ^b	6	
J	50	25	40	25	
K	50	20 ^b	65 ^a	10	
L	15 ^b	15 ^b	95	9 ^a	
M	5	10	75	1 ^b	
N	^c	52	50	15	
O	^c	^c	50	10 ^b	
P	^c	^c	60	8 ^a	
Q	^c	^c	25	5	
R	^d	30	50	0	
S	^d	75 ^e	^c	0	
T	^d	65	85	^c	

^aSchool administrator provided an estimated range, and the values shown are the midpoint. For example, 85 percent is the midpoint of the range from 80 to 90 percent.

^bMaximum estimate, for example, at most 15 percent.

^cSchool did not provide an estimate.

^dSchool had no off-campus program.

^eMinimum estimate, for example, at least 75 percent.

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